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County Executive Office to Present Balanced Budget for FY 2020-2021 Despite COVID-19 Impacts *Revised Preliminary Budget to be Presented at September 1 Board of Supervisors Meeting*

Ventura, CA – The County Executive Office will present a Revised Preliminary Budget for FY 2020-2021 at the scheduled Board of Supervisors Meeting on September 1, 2020. “After additional months of review, we are pleased to report that, despite significant reductions in State revenues, our office will be recommending a balanced budget that sustains core County services such as health, social services and safety and significantly enhances public health capacity in order to respond to the virus,” said Mike Powers, County Executive Officer.

“The COVID-19 pandemic as we know has led to an economic slowdown and affected the financial and physical health of our community. It has resulted in reductions to local revenues at a time when there is an increased need for additional services in response to changing health and economic conditions. For those reasons, we are especially pleased to be able to sustain these services for our community,” added Powers.

The Original Preliminary Budget presented to the Board on June 9, 2020 was primarily a spending plan intended to provide more time for analysis. The additional time provided the opportunity to clarify funding support from the State, refine revenue projections, receive further guidance regarding federal CARES Act funding and better identify the ongoing staffing and resources needed to respond to the virus and its impacts to our community.

The Revised Preliminary Budget incorporates, projected COVID-19 related losses in revenues, increases in CARES Act revenues, state funding backfill to partially offset revenue losses and increases in COVID-19 related expenditures. “The combination of these adjustments, along with significant pension savings, taxpayers continuing to make payments despite economic hardships, as well as departments’ efforts to closely manage their expenses, has resulted in a balanced budget,” Powers said.

“The County’s strong fiscal position allowed for quick response in providing significant services and supplies in response to the pandemic,” said Chief Financial Officer, Kaye Mand. “At the direction of the Board of Supervisors we have been able to use available reserves to quickly respond to community needs and programs such as housing and meals to at risk populations, testing and tracing resources, personal protective equipment and hospital surge capacity preparation. We are committed to the careful management of public funds and this commitment has really helped to provide relief for so many community members during this critical and difficult time.”

The budget also establishes a pension rate stabilization reserve fund of \$12.5 million. A 3 percent cut throughout most County agencies has also enabled the County to establish a Pension Mitigation Fund to sustain core service budgets in coming years.



COUNTY OF VENTURA COUNTY EXECUTIVE OFFICE

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Despite these challenges in June 2020, Moody's and Standard & Poor's awarded the county with their highest short-term rating and reaffirmed its triple A long-term credit rating – the highest possible rating allowing for \$34 million net present value savings from refinancing the Ventura County Medical Center Wing Bond at a lower rate.

The County is focused on long term financial viability and will continue to integrate the use of multi-year forecasts as a guide to maintain balanced budgets. The Board of Supervisor's commitment to the comprehensive long-term fiscal plan helps to maintain the County's strong financial position. Consistent application of these budget principles has minimized the impact during economic downturns and avoided the need for significant budget cuts during times when these services are needed most.

To date, the County has received \$147 million in CARES Act funds. An additional \$19.5 million will be allocated from the State. The funding has been, and is recommended to continue to be, dedicated to funding testing, tracing, providing meals to vulnerable populations, housing medically fragile or individuals over age 65 who are homeless, purchase of PPE, hospital surge preparation, rental assistance as well as business assistance grants. The preliminary budget proposes to hold a reserve of CARES funds considering significant unknowns such as the length of the pandemic, possible changes in permissible use of the funds such as to cover lost revenue, the deadline for expenditure of the funds and the availability of additional state or federal funds. "Along with our Board, we will make sure our County is able to take full advantage of the funds for the benefit of our community," said Powers.

The County will also be recommending additional funding in the amount of \$9 million for a total of \$24 million in Business Assistance Grants. This will allow all qualified applicants to receive \$5,000 grants.

"The pandemic has created both a health and economic crisis. We are very grateful for the continued commitment of our community in following the public health guidance. These actions are bringing down the numbers and saving lives. The sacrifice of our community members, business and community organizations has been profound during a time of much uncertainty," added Powers.

"We appreciate the dedicated service of all those who continue to serve our communities in various capacities. From the grocery clerk to the farmworker to the health care provider to the teachers and parents facilitating online learning we have all been impacted by this virus but through it all we are always better and stronger together. We have faced other recent emergencies and despite those challenges we have overcome and our community spirit of neighbors helping neighbors has been the greatest strength. It is in these trying times that our collective commitment to helping one another shines. We are indeed Ventura County Strong, and our County is committed to supporting our community. We are our community's safety net provider and our commitment to a balanced budget will assure that we can continue to provide much needed services," he added.